

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

William F. Donnelly  
Deputy Director for Administration

EXTENSION

NO.

DDA 87-2618

DATE

10 December 1987

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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D/OP

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Ted:

According to the Weekly Federal Employees' News Digest, military personnel get paid more than government civilian personnel. I contend this is possible because they have a "unique" pay system, i.e. separate from the GS.

Just another point to keep in mind when arguing for a new compensation system.

William F. Donnelly

30-4-1

ORIG:DDA:WFDonnelly:bs

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Executive Director

Jim:

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William F. Donnelly

regard to past limits. At the same time, CBO said, the operations of some programs "could be impaired."

## **MILITARY COMPENSATION EXCEEDS CIVILIANS'**

The General Accounting Office says that military compensation is now 27 percent higher, on average, than that of federal civil service employees. The GAO, the fiscal investigative arm of Congress, notes that this is the first time in American history that military compensation has surpassed civilian pay.

The GAO found that, counting retirement and medical benefits, a 25-year military man who is a high school graduate, makes \$29,639 a year, compared to \$25,953 in the federal civil service. A 35-year-old college-educated man makes \$65,671 in the military, compared to \$46,382 in the civil service. The military advantage for women was even larger.

A master sergeant made 0.4 percent less than a GS-9 in 1974, but makes 44 percent more today. And a private first class made 12 percent less than a GS-5 and today makes 30 percent more.

The GAO in its survey counted the value of only two military benefits—retirement and medical care—in addition to pay.

In making its report, GAO was careful to point out that its survey cannot take into account the "X factor"—the military person's disadvantages of constant transfers, irregular hours, lack of overtime, and the difficulty a spouse has in establishing a career.

## **BUDGET TALKS ON RAISE, RETIREMENT CONTINUE**

At press time, members of the Reagan administration and Congress had not yet settled differences over how to cut the 1988 budget, including civil service programs. A consensus had not yet been reached as the deadline for the Gramm-Rudman automatic \$23 billion across-the-board budget reduction approached.

Here's the way it looked as the *News Digest* went to press:

- The 1988 and 1989 raises would be held to 2 percent payable in January with agencies absorbing all of the cost.
- There would be a two-year freeze in within-grade increases, which amount to about 3 percent of pay.
- The lump-sum retirement option would be

altered so that the retiree could take out only an amount equal to half of his career contribution.

A projected 1988 retiree cost-of-living adjustment of 4.2 percent and Social Security's increase appeared safe, although no one was willing to say so definitively.

Capitol Hill staffers and employee group lobbyists emphasized that the situation could change at any time. They added that details of when and how these cuts would be made, too, were sketchy.

## **NEW RULES ON BIAS COMPLAINTS**

The Equal Employment Opportunity Commission has issued final regulations governing equal employment complaints involving federal employees.

EEOC pledged in the policy statement to seek a "full remedy" in each meritorious case.

The following actions will apply, where appropriate: a requirement that all employees be notified of their right to be free of unlawful discrimination; a pledge of corrective action; an unconditional offer of placement in any job a complainant would have received but for the illegal discrimination; a make-whole order; and a cease-and-desist order against the employer.

Also, the regulations require federal agencies to notify employees in exclusive recognition units of their right to process their discrimination complaint as a grievance under Section 7121(d) of the Civil Service Reform Act.

## **SUBSTITUTION OF HARSHER PENALTY UPHELD**

A Merit Systems Protection Board judge has ruled that a federal agency properly may rescind an earlier penalty and substitute a harsher one in adverse action cases where "extraordinary circumstances warrant." The ruling affirmed a decision by the U.S. Department of Agriculture to fire a Soil Conservation Service employee who had been convicted in federal court of fraudulently obtaining a USDA loan on his own farm.

The employee previously had received a 30-day suspension, but the firing was ordered by an assistant secretary of Agriculture after he received complaints from USDA's inspector general and the U.S. attorney who had prosecuted the case that a suspension was too lenient. Law judge Roger Schwartz acknowledged that an ordinary case would have to be considered closed, but because of the seriousness of the offense removal was the correct penalty.